

To: Michael Sibley, On-Scene Coordinator
Office of Environmental Cleanup
U. S. Environmental Protection Agency, Region 10
12 Sixth Ave., Suite 900
Mail Stop: ECL-133
Seattle, WA 98101

RECEIVED

MAR 14 2018

Office of Environmental Cleanup

From: 1138, LLC.

7844 128th Ave. Ne

Kirkland, WA 98033

RE: Answers to Information Request. Cercla Section (104)

1. a. Walter N. Kempe, Manager 1138, LLC
7844 128th Ave. NE, Kirkland, WA 98033
(b) (6)
(b) (6)
- d. June 2012 through December 27, 2012
- e. April 21, 2011, through December 27, 2012
- f. The first contact with the plant started April 21, 2011. At that time the plant was having serious problems operating without breakdowns, and could not be operated within Washington State Department of Ecology requirements. Our activities were as follows:
 1. Evaluate to determine if the plant could be brought into compliance with the Washington State Department of Ecology requirements.
 2. Evaluate the cost to make it compliant.
 3. Work with the Washington State Department of Ecology to issue the operating permit.
 4. Put the plant in production.
- g. Canola Seed
Canola Oil
Canola Meal
Crude Glycerin
Refined Glycerin
Methanol
Sodium Methylate
Liquid Red HF
Soapstock from Degumming Centrifuge
Biodiesel
Dumpster pick up of trash on a weekly basis

USEPA SF



1524925

Citric Acid

Very little building debris as all equipment install was constructed at the fabricator's location. Very few modifications were required to install the new equipment. No modification to the building.

h.

- I Inland Empire Oilseeds filed a petition in the Washington Eastern Bankruptcy Court.
- II 2:12-bk-05395 and Case No. 12-05395 PCW 11-PC
- III 12/27/2012
- IV Chapter 7
- V Final Report filed 8/13/2015

2.

a. The records were given to the Bankruptcy Court in early 2013 as required by the attorney for the trustee. We are providing the records as requested from the few copies we have. We have included copies of the work provided to the Washington State Department of Ecology. When we left, the plant was properly shut down and all hazardous material we appropriately readied for a prolonged shutdown. The Department of Ecology was informed and meetings were had with Odessa Public Development Association instructing them on what they needed to do to the plant during the shut down until they found a new tenant. Per our instructions and our understanding, they had board members make regular inspection thereafter.

I. None

ii. None. We were audited several times by the Department of Ecology and no problems were noted. They seemed happy with the way the plant was running and it was operated within specs of the permit.

lii. None

IV. None. We are providing the State of Washington Department of Ecology file for a review of their requirements, and for compliance. We do not have any physical records for reference of the plant audit.

b. Prior to our work on this project, the prior management was unable to get the Plant in conformance with requirements of the Washington State Department of Ecology. The operating permit had not been issued. They were seeking other options other than they managing the plant themselves. We met with and worked through the issues needing correction with WSDE. Made approved changes and on May 22, 2012, Approval Order No. 12AQ-E453 was granted.

c. We worked with the WSDE to bring the plant into conformance. Drawings have been provided. Any others that we had were given to the Bankruptcy Trustee. All requested files we have are being provided.

e. Given to the Bankruptcy Court. None retained.

f. None. Power provided by Avista. Their transformers situated on the Northwest corner of the property.

g. See WSDE information for a list and how they were handled. We are not sure what else you want or what we can provide you.

h. The office was connected to the Odessa sewer and water service for water and sewer to the office area only. No drains or connections were in the plant. The plant was designed to have nothing leave that was not planned and handled correctly. The only thing that left the footprint of the plant was Biodiesel, Canola Meal, glycerin, and Soap Stock which was picked up and delivered to a bio-digester. We have no maps or plans showing storm drainage. That was never a concern we had to address.

i. Anything we have is in the WSDE folder or was delivered to the Bankruptcy Court. As mentioned before, our job was to bring the plant into compliance. The entire time we were there we were working with the Washington State Department of Ecology to obtain the Approval Order and show them it was being run in compliance.

3.a.

i. Inland Empire Oilseeds, LLC On April 21, 2011, Inland Empire Oilseeds, LLC. granted a management service agreement to 1138 LLC to evaluate if the plant could be operated successfully. That included the requirement that we obtain the Washington State Department of Ecology Approval Order or operating permit. Once we were granted the operating permit 1138, LLC exercised their option to acquire a 75.03% ownership interest on June 26, 2012. By December 2012 the minority interests attempted to take back the plant by filing chapter 11 Bankruptcy on Inland Empire Oilseeds, LLC. At that time a Chapter 7 filing was made, the plant was closed and handed back to the Odessa Public Development Association. Instructions were given to OPDA on how to maintain the plant so that any and all hazards material which remained stored on site would be stored safely and monitored while the plant was idle. Instructions were given to the OPDA to do a regular inspection of the inside and outside of the plant to ensure the plant remains stable and safe until they could get a new lease in place with another tenant. We believe the board member performing those function was Mr. Walters.

b. At all times Inland Empire Oilseeds, LLC had a lease with OPDA who leased the plant for the State Of Washington. 1138, LLC had a management service agreement with Inland Empire Oilseeds, LLC. and AgVentures who managed the plant. AgVentures NW, P. O. Box 247, 2N Division St. Odessa, WA 99159 Phone: 1-800-522-2691

c. Joel Edmonds, General Manager (b) (6) Stanwood WA 98292 (b) (6)
(b) (6)

Chris Stout, Plant Operations Manager, PO Box 242, Wilson Creek, WA 98860 (b) (6)

Jason Nolden, Biodiesel Operations, (b) (6) Ritzville, WA 99169 (b) (6)

Jeremy Nolden, Canola Crush Operations (b) (6) Ritzville, WA 99169, (b) (6)

Steven Powell, Former OPDA Chairman and OPDA Board Member, He now appears to be living at (b) (6) Salmon Id 83467

4.a.

Inland Empire, LLC FYE tax period ending April 30, 2012. 1138, LLC had no ownership interest in IEO at the end of IEO's FYE April 30, 2012. Prior management had the responsibility for the tax filing. Copies of that tax return went to the Bankruptcy Trustee. We do not have a copy of the return.

Inland Empire, LLC tax period ending December 31, 2012. Again 1138 LLC had no responsibility for the tax return. Inland Empire Oilseeds LLC turn over all records and documents to the Trustee sometime in February or March of 2013. The Trustee assumed responsibility for the tax return. We never had a copy of that tax return.

Full copies of tax returns for 1138 LLC for the period requested have been enclosed.

4.b. None

4.c.V None

4.c.vi None

5.a. Insurance policy and information provided.

5.b.i. Ag States Group & Nationwide Agribusiness/Farmland. PO Box 64089, St Paul, MN 55164. Inland Empire Oilseeds LLC insured.

5.b.ii. the type of policy and policy numbers;

Package Policy Number:	CPP126446A
Property Policy Number:	COP126446A
Automobile Policy Number:	CA126446A
Umbrella Policy Number:	CU126446A

5.b.iii \$1,000,000 each occurrence for Commercial General Liability General

Aggregate \$2,000,000

and the effective dates for each policy. 8/1/2011 to 8/1/2012.

8/1/2012 to 8/1/2013

5.c. Ron Sholtys/TSCHU with Ag States Group

5.d. No Claims

5.e. None

5.f. All we have to give you is the copy of the policy provided. No accounting records available.

5.g. All files turned over to Bankruptcy Trustee. We don't know what document they retained once the Bankruptcy was finalized.

6.a.i None

6.a.ii All records were turned over to the Bank Ruptacy Trustee as directed by the court. Requested copies of records we found in other places are being turned over to you in this answer.